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June 14, 2021

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Actions in Response to COVID-19
Docket No. 2020-106-A

Dear Ms. Boyd:

By Order No. 2020-372 ("Order"), dated May 14, 2020, issued in the above-referenced docket, the Public Service Commission of South Carolina ("Commission") required utilities to track revenue impacts, incremental cost and savings related to COVID-19.[1] In furtherance of this requirement, utilities are required to file their findings with the Commission on a quarterly basis. In compliance with Commission Order No. 2020-372, Dominion Energy South Carolina, Inc. ("DESC" or "Company") provides the Commission and the South Carolina Office of Regulatory Staff ("ORS") with the following financial information for its retail electric and natural gas operations as of March 31, 2021.[2]

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[1] Executive Order No. 2021-25 issued in response to the COVID-19 pandemic and declaring a State of Emergency in South Carolina expired on June 6, 2021. On June 7, 2021, Governor Henry McMaster stated that it was no longer necessary to have a State of Emergency and as a result, he did not renew or otherwise extend the State of Emergency. Accordingly, the State of Emergency related to the COVID-19 pandemic is no longer in effect.

[2] Unless instructed otherwise, the Company will continue to file future quarterly COVID-19 financial reports 75 days after the end of the quarter, which is consistent with the Commission's quarterly financial reporting requirements for DESC's retail electric and natural gas operations. *See* Docket No. 2006-286-EG styled as "Dominion Energy South Carolina, Incorporated's (f/k/a South Carolina Electric & Gas Company's) Quarterly Financial Report." Accordingly, DESC will file its next quarterly COVID-19 financial report on or before September 13, 2021, which will include updated information for the quarter ended June 30, 2021.

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I. Revenue Impacts.

A. Margin Revenue. Beginning in October 2020, and with South Carolina largely open for business, the Company ceased tracking the impact of COVID-19 on its business due the difficulty in determining whether any lower margin revenue was truly associated with COVID-19 or some other cause, such as weather. While COVID-19 had an impact on DESC's margin revenue through the third quarter of 2020, demand has improved to the point where the Company no longer considers COVID-19 to materially impact its business operations.

B. Late-Payment Charges. For the time period March 16, 2020 to March 31, 2021, the Company has waived late-payment charges for its electric and natural gas utility accounts totaling approximately $6.1 million. As reported to the Commission by letter dated June 22, 2020, the Company reinstituted late-payment charges in September 2020.

C. Reconnection Charges. As of March 31, 2021, DESC has waived approximately $10,000 in reconnection charges for reconnecting service to those customers whose service had been disconnected as of March 16, 2020. Additionally, the Company has been tracking the amount of reconnection charges that it would otherwise have charged had the Company been disconnecting service for non-payment during the COVID-19 crisis. The Company estimates that by not disconnecting service for non-payment, customers have avoided approximately $600,000 in reconnection charges that they would have otherwise incurred. Stated somewhat differently, the Company estimates that by not disconnecting service during the COVID-19 crisis, DESC has experienced a decrease in revenue of approximately $600,000 from the beginning of the crisis through March 31, 2021 which is directly attributable to not charging a reconnection fee. Similar to reinstituting late-payment charges, the Company also resumed reconnection charges in September 2020.

D. Customer Arrears. As of March 31, 2021, the total amount of customer arrears for active utility accounts is approximately $35 million.[3] As DESC informed the Commission in its letter dated May 22, 2020, arrears do not necessarily result in write-off and over time, the Company expects this amount to decrease as its customers take advantage of the multiple payment options that DESC offers to catch-up on past due amounts. Of the total amount of customer arrears for active utility accounts, approximately $23.3 million represents bills that are 1 to 30 days past due;

[3] Please note that this amount does not include amounts owed by customers whose accounts are in arrears but have contacted the Company and enrolled in a payment plan.

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approximately $8.7 million represents bills that are 31 to 60 days past due; and approximately $3 million represents bills that are more than 60 days past due.

With the reinstatement of late payment charges and disconnection for nonpayment in September 2020, along with the general re-opening of businesses across its service territory, the Company no longer expects a significant impact on its bad debt expense as a result of COVID-19. DESC estimates the cumulative incremental impact of COVID-19 on its bad debt expense to be approximately $6.5 million, the amount reported in the Company's December 31, 2020 update.

II. Incremental Costs.

DESC has incurred incremental cost as a result of the COVID-19 pandemic. These costs include increased operation and maintenance expenses ("O&M") for items such as masks, hand sanitizer, cleaning supplies, personal protection equipment and supplies to enable employees to work from home. The Company has also incurred incremental cost as result of hiring vendors to conduct temperature checks for persons requiring access to a DESC facility. DESC has also experienced increased technology costs for the remote working environment and minor amounts of over time labor for certain employees.

Additionally, at the outset of the pandemic, DESC took precautionary steps for certain employees to shelter-in-place at their work location in order to ensure that the Company continued to provide safe and reliable electric and natural gas service to its customers. To this end, the Company arranged for food service and other various sequestration supplies.

This is not an exhaustive list of the incremental cost that DESC has incurred in its response to COVID-19, but it represents a cross-section of the types of incremental expenses that the Company has incurred. Since the beginning of the crisis and through March 31, 2021, DESC has incurred approximately $4.8 million in incremental cost as a result of COVID-19.

III. Savings.

During the COVID-19 crisis, the Company has ceased certain activities, but the Company does not classify the reduction in costs associated with the cessation of these activities as "savings." Instead, these reduced costs only partially offset the decreased margin revenue that the Company experienced. In other words, DESC has not experienced any overall "savings" as a result of COVID-19, and the Company anticipates incurring these costs again in the future. Accordingly, the Company does not have a tracking mechanism for these categories of expense.

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If you have any questions or need additional information, please do not hesitate to contact us.

Very truly yours,

K. Chad Burgess

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cc: All Parties of Record
(all via electronic mail only)